

Item: _____
Fiscal Impact: Revenue Neutral
Funding Source: Sanitation & Storm Water Fees
Account #: 36-0000-36950-00000-0000 &
27-0000-36930-00000-0000

Budget Opening Required: ☐

ISSUE:

An ordinance amending the amount charged for late fees through West Valley City's utility billing.

SYNOPSIS:

This ordinance imposes a late fee for all customers in the amount of \$5.00 per billing cycle, and discontinues interest charges on unpaid storm water utility bills. The ordinance change would become effective August 1, 2015.

BACKGROUND:

West Valley City is currently not able to show late fees on utility billing because interest is charged daily. By changing to a penalty-only charge, the City will be able to quote the late charges after a due date on the billing invoices sent out. This change will allow a fixed amount due to be quoted over the phone, and then have the amount due remain the same when payment arrives a few days later. This simpler model will alleviate many questions and complaints from customers.

The current late fee on unpaid utility billing is \$15.00 or 1% of the amount charged for storm water service, with a limit not to exceed the total amount due for storm water service (residents are charged \$4.00 monthly for storm water).

Commercial example: If the amount billed for storm water service is \$2,000.00 and payment is past due, a late fee of \$20.00 (1% of the outstanding bill) plus interest would be charged. If the amount billed for storm water were \$100.00 and payment was past due, a late fee of \$15.00 plus interest would be charged.

Residential example: Residential customers are charged \$4.00 per month for storm water service, and so the late fee for an unpaid storm water bill is \$4.00 plus interest per service period billed. The first month's interest on an unpaid residential storm water bill is \$0.12, and \$0.22 for sanitation, for a total late fee of \$4.34.

This ordinance change is intended to be revenue neutral.

RECOMMENDATION:

City staff recommends approval of the ordinance.

SUBMITTED BY:

Russell B Willardson, P.E., Public Works Director